



# **COUNTY OF ORANGE**

## **RESOURCES & DEVELOPMENT MANAGEMENT DEPARTMENT**

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August 18, 2005

California Department of Water Resources  
Division of Planning and Local Assistance  
Attn: Tracie Billington  
P.O. Box 942836  
Sacramento, CA 94236-0001

Dear Ms. Billington,

The South Orange County Integrated Regional Water Management Group (IRWMG) has reviewed the Draft PSP for the Integrated Regional Water Management Implementation Grants, Step 2 and our staff attended the recent Draft PSP discussion workshop in Los Angeles. Overall, we believe that the current Draft PSP for Step 2 departs significantly from the intent of Chapter 8 Integrated Regional Water Management Program legislation. We understand that limited comments have been received and suggest that additional time may be needed for applicants to review the requirements, now that the Step I proposals have been completed.

It is our understanding that an integrated regional approach was included in Prop 50 Chapter 8 to promote integrated and multi-benefit water resource projects selected by local stakeholders within a region. By this regional approach, more control on project selection would be assigned to the regions reducing the need for detailed State oversight necessary in justifying support for projects. However, the 18 detailed documentation attachments in the Draft PSP regarding project information and the level of information requested in the attachments suggests that the State plans to perform the project selection. The project selection should occur at the local level with the proposal selection at the State level. We believe that significant resources and costs, by both the State staff and the project applicant, will be required to compile and review this information, further delaying the process.

Based on feedback from the DWR staff at the recent workshop, we understand the DWR's desire to be able to justify to legislators the quantifiable value of proposed State funded projects. However, a more simplified quantification of benefit can be attained for proposal justification without requirements for such in depth economic analyses that can be summarized in order to succinctly communicate benefits of projects to upper management and legislators. Further, the current Step 2 Draft PSP suggests that when economic analyses of non-quantifiable benefits are required, a narrative justification is requested. Such narrative justifications are so subjective in nature and dependent on the reviewers' background and understanding, the requirement becomes overly burdensome and unnecessary to both the State and the applicant. Many successful SWRCB grant programs defining water quality projects have been administered by the SWRCB staff with defined benefits to the State.



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We encourage significant modifications be made to the Step 2 process as defined in the comments below. In addition after our comments below regarding the Step 2 Draft PSP, we provide our feedback, as requested, on how best to evaluate Step 1 proposals from common regions and corrections to the applicant area maps shown by State staff.

### General Comments

- We are concerned about the time to prepare the Step 2 proposal considering the substantial amount of data requested and the time required by the State to review the proposal details. The current proposed process will be quite burdensome to smaller agencies and less mature groups.
- We are concerned with the amount of data duplication. Why ask again for basic descriptive information provided under Step 1 PSP which is unlikely to change or be modified? For example, most of Attachment 1 - Authorizing Documentation and Attachment 2 – Eligible Applicant documentation will not change from what was submitted under Step 1.
- We are concerned that the amount of information required is overly detailed, considering the intent of the Grant Program is to assist project implementation for agencies that do not have complete sufficient local funds or are disadvantaged communities. This requirement for data puts these agencies projects at a great disadvantage and seems to be contradictory to the programs intent. Agencies which are financially strapped will not be able to prepare all of the necessary project information, not without having all of the required funding in place, nor one year ahead of schedule.
- We are concerned about the volume of data requested for within the proposal. Because of this detail the costs required to complete the requirements become a high stakes gamble more likely to discourage participation than encourage it.

### Specific Comments

- The funding match scoring criteria should be given a higher weighting factor, a 2 or 3. It should be viewed as more important to the CDWR and SWRCB. It is currently only weighted a 1 with a maximum 5 points. We heavily leveraged our match amounts and more consideration should be given to proposals that have made a greater funding commitment.
- Attachment 9 Feasibility Certifications. It may be more appropriate to require the certification of feasibility statements as a grant contract submittal. It will be difficult to certify until all environmental work, permit and planning is complete. Also, what liability is there for agency representatives or consultants in signing the certification of feasibility?
- Attachment 16 Modification of River or Stream Channel. It may be more appropriate to require this information as a grant contract submittal for the same reasons as #2 above.



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- Exhibit A page 27. Agencies submitted an authorizing document with the Step-1 proposal. Is another one necessary if the original authorization approved a step-2 submittal if invited?
- Exhibit F Economic Analysis and Benefits. This section needs to be simplified. It is way too exhaustive and complicated. In fact, as it is written agencies may need the assistance of an environmental / financial consultant to complete Exhibit F. Rather than individually developing the proposed Table F-5 to estimate the "avoided future water costs," the program should consider using the Department of Water Resources (DWR) previously developed future water supply regional projection model used by the State Water Resources Control Board (SWRCB) in the SWRCB State Revolving Fund program for water recycling/conservation projects. This regional-based model allowed the projects within in region to utilize the same basis of comparison for future avoided water supply costs, with local requirements added as required. In light of the many and varied possible water supply alternatives to meet future requirements in the future, a region-wide standard would simplify the process for all prospective grantees while standardizing the statewide avoided water cost component. (This comment is only applicable to the Prop 50 Grant projects with quantifiable water savings. The other less quantifiable project elements will require more complex benefit modeling.)
- The Environmental Documentation and Permits and Certifications requirements appear to be overly administratively burdensome to be applied to all projects of an integrated program submitted under an application. We recommend deletion of these requirements with the possible exception of very large individual projects that exceed \$10 million dollar State funding request.

We appreciate the opportunity of providing comments on this PSP and look forward to working with the SWRCB and DWR on the application process.

Sincerely,

Marilyn Thoms  
Project Manager  
Watershed and Coastal Resources